

## Message Text

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13

ORIGIN ARA-20

INFO OCT-01 ISO-00 AGR-20 COME-00 SP-03 AID-20 EB-11

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ARA/APU:JDAVIS (DRAFT)  
AGRICULTUREKREYNOLDS (DRAFT)  
STR:BSTEINBOCK(DRAFT)  
EB/GCP:DDUNFORD (DRAFT)  
EB/STA:TDEAL (DRAFT)  
EB/OF:RSIMPSON (DRAFT)  
COMMERCE:EHESSLER (DRAFT)  
TREASURY:JJOHNSON (DRAFT)  
EB/ISM:WPOLIK (DRAFT)  
EB/TRP:PPILKAUSKAS (DRAFT)

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FM SECSTATE WASHDC

TO AMEMBASSY BUENOS AIRES

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E.O. 11652: N/A

TAGS: ETRD, AR

SUBJECT: INVENTORY OF ARGENTINA TRADE PROBLEMS

1. ONE OF THE KEY AREAS OF LATIN AMERICAN CONCERN HAS BEEN THAT OF US-LATIN AMERICAN TRADE ISSUES. THIS WAS HIGHLIGHTED BY THE MEXICO CITY AND WASHINGTON FOREIGN MINISTERS' MEETINGS AND BY AMBASSADOR EBERLE'S TRADE CONSULTATION TRIP TO LATIN AMERICA. AS A FOLLOW-UP TO THE SECRETARY'S INITIATIVES IN THE TRADE FIELD, THE DEPARTMENT IS IDENTIFYING THE SIGNIFICANT COUNTRY-SPECIFIC TRADE PROBLEMS OF THE REGION.

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2. IN THIS CONNECTION, THE DEPARTMENT HAS PREPARED A PRELIMINARY INVENTORY OF SIGNIFICANT TRADE ISSUES AFFECTING ARGENTINA (SEE PARA. 3). THE ISSUES HAVE BEEN GROUPED UNDER FOUR GENERAL HEADINGS WHICH INCLUDE PROBLEMS THAT ARGENTINA HAS WITH THE US AS WELL AS PROBLEMS WE HAVE WITH THEM. THE EMBASSY IS REQUESTED TO REVIEW THE LISTING AND SUBMIT ANY ADDITIONS OR COMMENTS BY AUGUST 2.

3.A. PRINCIPAL ARGENTINE TRADE PROBLEMS WITH THE US:

1. MEAT SALES TO THE US. ARGENTINA WOULD LIKE TO EXPAND MEAT SALES BY (A) SHIPPING FRESH OR FROZEN BEEF IN SEALED CONTAINERS TO BE PLACED IN BOND AND TRANSFERRED TO OUTGOING SHIPS; (B) ESTABLISHING AN AFTOSA-FREE ZONE IN ARGENTINA; (C) LOWERING THE REQUIRED TEMPERATURE FOR COOKED BEEF; AND (D) OBTAINING US PERMISSION FOR IMPORTS OF BONELESS CHILLED AND NON-DRIED BEEF FROM ARGENTINA.

2. SCRAP. ARGENTINA'S US FERROUS SCRAP QUOTA MAY BE LESS THAN ITS STATED NEEDS IN 1974.

3. SUGAR. IN THE ABSENCE OF A SUGAR ACT, ARGENTINA IS CONCERNED ABOUT MAINTAINING ITS SHARE OF THE US MARKET. AS OF MAY 31, 1974, ARGENTINA HAD SHIPPED ONLY 24 SHORT TONS OF ITS 1974 US QUOTA, BUT CONTINUES TO MAKE SIGNIFICANT SHIPMENTS TO THE WORLD MARKET. CONCERN OVER THE US MARKET IS NOT PRESENTLY BEING REINFORCED BY SUPPLY PERFORMANCE.

4. US CUBAN DENIAL POLICY. THE GOA MAINTAINS THAT ALL COMPANIES INCORPORATED IN AND DOING BUSINESS IN ARGENTINA MUST ABIDE BY ARGENTINE POLICIES AND LAWS. THE GOA FAVORS TRADE WITH CUBA, BUT IF SUBSIDIARIES OF US COMPANIES FOLLOW THIS POLICY, THEY WILL BE IN VIOLATION OF US LAW WHICH PROHIBITS SUCH TRADE WITHOUT A SPECIAL LICENSE.

5. A PERENNIAL GOA COMPLAINT HAS BEEN ITS BILATERAL TRADE DEFICIT WITH THE US.

B. PRINCIPAL US TRADE PROBLEMS WITH ARGENTINA: FOOT-LIMITED OFFICIAL USE

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WEAR--COUNTERVAILING DUTY:

ON JULY 16, TREASURY INSTITUTED COUNTERVAILING DUTY PROCEEDINGS AGAINST NON-RUBBER FOOTWEAR IMPORTED FROM ARGENTINA. THE US FOOTWEAR INDUSTRY HAS COMPLAINED THAT ARGENTINA SUBSIDIZES SHOE EXPORTS TO THE US AND THAT SUCH SUBSIDIES CONSTITUTE A BOUNTY OR GRANT UNDER THE US COUNTERVAILING DUTY LAW.

C. PRINCIPAL ARGENTINE TRADE PROBLEMS WITH OTHER LATIN  
AMERICAN COUNTRIES: NONE IDENTIFIED.

D. PRINCIPAL ARGENTINE TRADE PROBLEMS WITH NON-  
HEMISPHERIC COUNTRIES:

MEAT -- ARGENTINA'S ACCESS TO THE EEC MEAT MARKET HAS BEEN  
SEVERELY RESTRICTED. INGERSOLL

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## Message Attributes

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**Copy:** SINGLE  
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**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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